



# ISO 20022 Harmonisation Charter

## Ensuring a harmonised approach to ISO 20022 adoption

**ISO 20022 is emerging as the preferred messaging standard for financial market infrastructures (FMIs) around the world, and it is also gaining traction for regulatory reporting and for corporate-to-bank messaging. This growth in adoption brings opportunities, as well as challenges, to financial institutions (FIs).**

As ISO 20022 implementations proliferate, variability in the ways in which the standard is deployed in terms of message versions, market practice rules and release timetables is multiplying. There is increasing recognition that differences in implementation could lead to a fragmentation of the standard.

On request of the banks, and in close cooperation with leading FMIs from around the world, SWIFT has published the ["ISO 20022 Harmonisation Charter"](#)<sup>1</sup>. This charter facilitates the global adoption of ISO 20022 by laying out a number of best practice principles that all FMIs should be guided by to ensure a consistent, efficient and cost-effective roll-out of ISO 20022.

### Harmonisation charter for Financial Market Infrastructures

#### Why should FMIs endorse the charter?

The charter defines best practices for the adoption and implementation of ISO 20022. By endorsing the charter, FMIs ensure that their plans are globally aligned with peers in their business segments.

As a result, the ISO 20022 implementation process is shorter and simpler for the FMIs and their communities.

#### Endorsing FMIs:

- Have access to a community of experienced ISO 20022 adopters with which they can share information via a dedicated forum.
- Are invited to join the ISO Standards Evaluation Group (SEG) - the working group in charge of reviewing and agreeing ISO 20022 message changes and evolution. This allows FMIs to influence how ISO 20022 messages evolve.
- Have access to the centralised MyStandards platform, which is used to document and publish ISO 20022 information - messages and versions used, global market practice adhered to, and release timeline.

#### What is expected from endorsing FMIs?

By endorsing the charter, an FMI confirms it will implement the best practice guidelines when it adopts ISO 20022 messaging, taking into account potential constraints imposed by local market conditions or commercial requirements.

The FMI will share its ISO 20022 adoption intentions and plans with other endorsing FMIs, will publish its ISO 20022 service details on MyStandards, and will try as much as possible to comply with the relevant global market practice, use the most recent message versions, and align its release maintenance cycle with industry best practice processes.

#### Benefits for FMIs

- Become part of an influential group of ISO 20022 practitioners
- Ensure alignment with FMI peers and global financial industry
- Reduce cost, risk and time for ISO 20022 implementation
- Have access to MyStandards as centralised source of ISO 20022 information

<sup>1</sup>To obtain more information, visit the ISO 20022 harmonisation page on [swift.com](https://www.swift.com/standards/iso-20022-harmonisation-programme-0): <https://www.swift.com/standards/iso-20022-harmonisation-programme-0>

# Harmonisation charter for Financial Institutions

## Why is the charter important to FIs?

The charter has been signed by numerous leading FMIs within the global payments and securities markets<sup>2</sup>. FIs that are participants of these FMIs benefit from a common and consistent ISO 20022 environment.

## Information sharing and publication

Publication of all ISO 20022 information from FMIs in a single common source – the MyStandards platform – provides convenient and centralised access to valuable information. This consistent publication allows easy comparison across FMIs.

### Benefits for FIs

- Reduce implementation costs and on-boarding time
- Reduce operational risk
- Reduce recurring effort by re-using processes, tools, project and maintenance activities
- Work in a more predictable, disciplined and manageable ISO 20022 environment
- Get a holistic view with access to all relevant ISO 20022 information through MyStandards

## Market practice definition and adherence

When more and more FMIs apply global market practice for their relevant business segment, life becomes easier for the FIs involved in this business, for example the on-boarding process becomes straightforward and consistent. With less implementation differences, the reuse of related adoption tools and processes leads to a reduction of operational risk and cost.

## Version and release management

As part of the charter, FMIs have to:

- Adopt the latest version of messages, and then ensure these are kept up to date
- Align their ISO 20022 maintenance timeline with the FIN standards release cycle.

When FMIs use fewer and the latest versions of messages, the ISO 20022 implementations become simpler and standardised for the FIs.

The alignment with the SWIFT MT FIN release cycle means that the ISO 20022 implementations follow the same timing as for SWIFT MT FIN, resulting in one standards upgrade per year, rather than a myriad of upgrade cycles throughout the year, which allows more efficient resource planning.

## SWIFT's role

At the request of the industry, SWIFT has developed the ISO 20022 Harmonisation Charter.

In this context, SWIFT is developing its ISO 20022 products and services to help FMIs and their communities adopt the standard.

SWIFT has packaged its ISO 20022 expertise into a unique combination of specialised tools and products that apply best practices, increase automation and drive efficiencies. These offerings cover the necessary implementation and integration changes required within back-office systems, the messaging interface and the SWIFT network.

For FMIs, SWIFT can build an ISO 20022 roadmap and an implementation approach, can help design and document the ISO 20022 content suitable for local business requirements, and can facilitate the publication of this information on MyStandards. Specifically, SWIFT has developed "ISO 20022 Starter Sets for FMIs" which provide a packaged solution for best practices implementation for High-Value Payments (HVP) and Central Securities Depositories (CSDs).

For FIs, SWIFT can help understand the impact of ISO 20022 and build the implementation roadmap. The FIs can access the specific FMI messaging specifications on MyStandards, and test their adherence to these specifications using the Readiness Portal tool.

## Contact us

If you are an FMI, or an FI, and want to support the charter please contact your account manager at SWIFT.

If you would like to have more information, please visit the ISO 20022 Harmonisation homepage: <https://www.swift.com/standards/iso-20022-harmonisation-programme-0>

<sup>2</sup>To have the most up-to-date information about the names of endorsing FMIs, please consult the ISO 20022 Harmonisation page on swift.com: <https://www.swift.com/standards/iso-20022-harmonisation-programme-0>